

Report of the auditor-general to the Eastern Cape Provincial Legislature and council on Nelson Mandela Bay Metropolitan Municipality

Report on the audit of the consolidated and separate financial statements

Qualified opinion

1. I have audited the consolidated and separate financial statements of the Nelson Mandela Bay Metropolitan Municipality and its municipal entity (group) set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets, and statement of cash flows for the year then ended, as well as notes to the consolidated and separate financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the group as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act 56 of 2003 (MFMA) and the Division of Revenue Act 9 of 2021 (Dora).

Basis for qualified opinion

Service charges – Sale of electricity

3. The municipality did not recognise service charges for the sale of electricity as required by GRAP 9, *Revenue from exchange transactions*. The municipality recognised these service charges relating to the prior year in the current year. Consequently, service charges for the sale of electricity and trade receivables from exchange transactions, as disclosed in note 21.1 and note 15 to the consolidated and separate financial statements respectively were overstated by R239,3 million for the current year, whilst the prior year was understated by the same amount. There was also an impact on the surplus for the current and prior year and on the accumulated surplus for the prior year.

Irregular expenditure

4. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figures for irregular expenditure disclosed in note 44.2 to the consolidated and separate financial statements. The restatements were made to correct errors identified by management in the current year relating to the previous years, but the restatements could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to the current and prior year irregular expenditure closing balance stated at R20,2 billion and R18,9 billion respectively. I was also unable to determine whether any

adjustments were necessary to the current and prior year closing balance included in part 7 of the irregular expenditure note stated at R2,6 billion and R2,5 billion respectively, due to these limitations.

Context for the opinion

5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the consolidated and separate financial statements section of my report.
6. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

9. As disclosed in note 40 to the consolidated and separate financial statements, the corresponding figures for 30 June 2021 have been restated as a result of errors identified in the consolidated and separate financial statements of the municipality at, and for the year ended, 30 June 2022.

Material losses and impairment

10. As disclosed in notes 15 and 16 to the consolidated and separate financial statements, material impairment allowances of R6,2 billion (2021: R3,9 billion) and R1,8 billion (2021: R1,4 billion) were made against trade receivables – exchange and non-exchange transactions respectively. The net movement in these impairment allowances together with the bad debt write-offs resulted in an impairment expense of R3,2 billion (2021: R1,8 billion).
11. As disclosed in note 35.9 to the consolidated and separate financial statements, material water losses of R219,4 million (2021: R217,2 million) were incurred, which represented 39% (2021: 40%) of the total water cost. The non-technical losses of 11% were as a result of unauthorised consumption due to theft or illegal use and all technical and administrative inaccuracies associated with customer metering.
12. As disclosed in note 35.10 to the consolidated and separate financial statements, material electricity losses of R867,6 million (2021: R600,7 million) were incurred, which represented 24% (2021: 20%) of the total electricity purchased. The non-technical losses of 18% were as a result of faulty meters, theft through illegal connections and meter tampering.

Underspending on conditional grants

13. As disclosed in note 7 to the consolidated and separate financial statements, the municipality had an unspent portion of conditional grants of R362 million.

Other matter

14. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure note

15. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the consolidated and separate financial statements. This disclosure requirement did not form part of the audit of the consolidated and separate financial statements and, accordingly, I do not express an opinion on it.

Responsibilities of the accounting officer for the consolidated and separate financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

17. In preparing the consolidated and separate financial statements, the accounting officer is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the consolidated and separate financial statements

18. My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

19. A further description of my responsibilities for the audit of the consolidated and separate financial statements is included in the annexure to this auditor's report.

Introduction and scope

- 20. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected key performance areas presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
- 21. My procedures address the usefulness and reliability of the reported performance information, which must be based on the municipality’s approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the municipality enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
- 22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected key performance areas presented in the municipality’s annual performance report for the year ended 30 June 2022:

Key performance area (KPA)	Pages in the annual performance report
KPA 1 - Basic service delivery	x – x

- 23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
- 24. The material findings on the usefulness and reliability of the performance information of the selected key performance area as follows:

KPA 1 - Basic service delivery

Various indicators

- 25. Adequate systems and processes were not established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, I was unable to obtain sufficient appropriate audit evidence for the achievements reported in the annual performance report. I was unable to confirm these achievements by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievements for the indicators listed below.

Indicator number	Indicator description	Planned target	Reported achievement
KPI 5	Percentage of planned maintenance performed	95%	99.42%
KPI 31	Percentage of complaints/callouts responded to within 24 hours (sanitation/wastewater)	98%	45.43%
KPI 32	Percentage of complaints/callouts responded to within 24 hours (water)	98%	68.40%

Other matters

26. I draw attention to the matters below.

Achievement of planned targets

27. Refer to the annual performance report on pages xx to xx for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings reported on the usefulness and reliability of the reported performance information in paragraph 25 of this report. The municipality achieved 51.7% of the planned targets for the year in the selected development priority, KPA 1- Basic service delivery. Some of the planned targets that were not achieved relate to key service delivery indicators on water, sanitation and electricity, per the table below:

Indicator	Planned Target	Reported Achievement
KPI 1 - Number of dwellings provided with connections to the mains electricity supply by the municipality	1 260	590
KPI 29 - Number of new sewer connections meeting minimum standards	2 000	1 956
KPI 30 - Number of new water connections meeting minimum standards	2 000	1 956
KPI 31 - Percentage of callouts responded to within 24 hours (sanitation/wastewater)	98%	45.43%
KPI 32 - Percentage of callouts responded to within 24 hours (water)	98%	68.40%
KPI 33 - Percentage of water treatment capacity unused	15%	48.78%
KPI 34 - Percentage of industries with trade effluent inspected for compliance	75%	54.58%
KPI 35 - Percentage of wastewater treatment capacity unused	15%	29.91%

Reasons for underachievement of targets are included in the annual performance report on pages xx to xx.

Adjustment of material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of KPA 1 - Basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Introduction and scope

29. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the municipalities with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

30. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

31. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of expenditure, revenue, current assets, liabilities and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Strategic and performance management

32. The performance management system and related controls were inadequate as it did not describe how the performance measurement processes should be managed, as required by municipal planning and performance management regulation 7(1).

Revenue management

33. An effective system of internal control for debtors/revenue was not in place, as required by section 64(2)(f) of the MFMA.

Expenditure management

34. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

35. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The irregular expenditure disclosed could not be confirmed as indicated in the basis for qualification paragraph. The majority of the disclosed irregular expenditure was caused by non-compliance with supply chain management (SCM) legislation.

36. Reasonable steps were not taken to prevent fruitless and wasteful expenditure of R7,8 million, as disclosed in note 44.3 to the financial statements of the municipality, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by payments made to suspended officials.

Consequence management

37. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
38. Irregular expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.
39. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine whether any person was liable for the expenditure, as required by section 32(2)(b) of the MFMA.

Procurement and contract management

40. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM Regulation 17(1)(a) and (c).
41. Some of the goods and services of a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.
42. Some of the quotations were awarded to bidders that did not score the highest points in the evaluation process, as required by section 2(1)(f) of Preferential Procurement Policy Framework Act 5 of 2000 and 2017 preferential procurement regulation 11.
43. Some of the invitation to tender for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).
44. Sufficient appropriate audit evidence could not be obtained that contracts were extended or modified with the approval of a properly delegated official as required by SCM regulation 5. This limitation was identified in the procurement processes for the Coegakop wellfield - Phase 4: bio filtration plant and borehole project.
45. Sufficient appropriate audit evidence could not be obtained that the performance of contractors or providers was monitored on a monthly basis as required by section 116(2) of the MFMA. A similar limitation was also reported in the prior year. This limitation was identified in the procurement processes for the Driftsands Collector Sewer – Phase 2 and Coegakop wellfield - Phase 4: bio filtration plant and borehole projects.
46. Sufficient appropriate audit evidence could not be obtained that contract performance and monitoring measures were in place to ensure effective contract management as required by section 116(2)(c)(ii) of the MFMA. This limitation was identified in the procurement processes for the Driftsands Collector Sewer – Phase 2 and Coegakop wellfield - Phase 4: bio filtration plant and borehole projects.

47. Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of the code of conduct for councillors and the code of conduct for staff members issued in terms of the Municipal Systems Act 32 of 2000 (MSA).
48. Invitations for competitive bidding were not advertised for a required minimum period of days, in contravention of SCM regulation 22(1) and 22(2).

Other information

49. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the consolidated and separate financial statements, the auditor's report and the selected development priority presented in the annual performance report that have been specifically reported in the auditor's report.
50. Our opinion on the consolidated and separate financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and we do not express an audit opinion or any form of assurance conclusion on thereon.
51. In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements and the selected development priority presented in the annual performance report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
52. The other information I obtained prior to the date of this auditor's report is the annual report excluding financial analysis reporting which is expected to be made available to us after 30 November 2022. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.
53. When I do receive and read the financial analysis reporting, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

54. I considered internal control relevant to my audit of the consolidated and separate financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

55. There was instability at the leadership and management level of the municipality. In addition, leadership did not stabilise the internal control environment through their oversight role to enable effective reporting on the municipality's financial and performance results, and to ensure compliance with legislative requirements.
56. Management did not consistently implement daily, weekly and monthly financial and performance management disciplines. In addition, key risks relating to financial and performance reporting as well as supply chain management were not actively managed during the year under review. The municipality's audit plan was not effective and led to recurring findings reported on the financial statements, performance report and compliance.

Material irregularities

57. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit and on the status of the material irregularities reported in the previous year's auditor's report.

Material irregularities in progress

58. I identified material irregularities during the audit and notified the accounting officer of these, as required by material irregularity regulation 3(2). By the date of this auditor's report, the responses of the accounting officer were not yet due. These material irregularities will be included in the next year's auditor's report.

Status of previously reported material irregularities

Payment for services not received: Stormwater drain cleaning: Supplier 1

59. The municipality paid R10,1 million on 19 December 2018 for the provision of stormwater drain cleaning services which were not rendered to the municipality. This resulted in non-compliance with section 65(2)(a) of the MFMA which requires that the municipality have and maintain an effective system of expenditure control relating to the approval, authorisation, and payment of funds. The non-compliance with legislation is likely to result in a material financial loss if the municipality does not recover the money paid to the service provider.
60. The accounting officer was notified of the material irregularity on 13 December 2019 and invited to make a written submission on the actions taken or to be taken to address the matter.
61. An investigation into the matter by the provincial Hawks unit commenced in January 2020 and the municipality is co-operating with the investigation. The municipality has appointed a forensic investigator to assist in quantifying the value of the financial loss incurred and to compile further evidence for the submission to the Hawks unit. On conclusion of the investigation, the municipality intends to pursue the recovery of losses incurred and consequence management against the identified responsible official(s). The forensic investigation report was finalised on 28 February 2022 and handed over to the Hawks for further investigation.

62. I will follow up on the investigation and the implementation of the planned actions during my next audit.

Payment for services not received: Stormwater drain cleaning: Supplier 2

63. The municipality paid R10,1 million on 19 December 2018 for the provision of stormwater drain cleaning services which were not rendered to the municipality. This resulted in non-compliance with section 65(2)(a) of the MFMA which requires that the municipality have and maintain an effective system of expenditure control relating to the approval, authorisation, and payment of funds. The non-compliance with legislation is likely to result in a material financial loss if the municipality does not recover the money paid to the service provider.

64. The accounting officer was notified of the material irregularity on 13 December 2019 and invited to make a written submission on the actions taken or to be taken to address the matter.

65. An investigation into the matter by the provincial Hawks unit commenced in January 2020 and the municipality is co-operating with the investigation. The municipality has appointed a forensic investigator to assist in quantifying the value of the financial loss incurred and to compile further evidence for the submission to the Hawks unit. On conclusion of the investigation, the municipality intends to pursue the recovery of losses incurred and consequence management against the identified responsible official(s). The forensic investigation report was finalised on 28 February 2022 and handed over to the Hawks for further investigation.

66. I will follow up on the investigation and the implementation of the planned actions during my next audit.

Revenue for water and sanitation services not calculated on a monthly basis

67. The municipality did not charge for service charges for the year ended 30 June 2019. It was found that 1237 properties were not billed for the sale of water, sanitation and sewerage services provided by the municipality. This resulted in non-compliance with section 64(2)(b) of the MFMA which requires revenue due to the municipality to be calculated on a monthly basis. The municipality is likely to suffer a material financial loss if service charges are not being billed.

68. The accounting officer was notified of the material irregularity on 13 December 2019 and invited to make a written submission on the actions taken or to be taken to address the matter.

69. The following action has been taken to resolve the material irregularity:

- The service level agreement (SLA) between Budget and Treasury, Infrastructure and Engineering and Human Settlements Directorates was signed on 7 July 2021. The SLA outlines the value chain process between Human Settlements, Infrastructure and Engineering Directorate and Budget and Treasury Directorate in respect of the installation of new water meters, as well as linking them to the billing system.

70. The accounting officer further planned to implement the following actions to resolve the material irregularity:

- Monthly reporting to identify properties without water related services on the billing system.
- The monthly report will be sent to the Infrastructure and Engineering Directorate for investigation.
- Monthly meeting to be held between Revenue Management Customer Care Sub-directorate, Infrastructure, and Engineering Directorate.

71. The implementation of the planned actions was followed up in the current year audit and it was noted that the accounting officer has made slow progress in addressing the material irregularity.

72. A commitment and a detailed project plan was thus obtained from the accounting officer and it was indicated that the date committed to have fully addressed the material irregularity is 30 June 2023.

73. The implementation of the above planned actions and committed deadline will be followed in the next audit cycle.

Revenue for water and sanitation services not calculated on a monthly basis

74. The municipality did not charge for service charges for the year ended 30 June 2020. It was found that 7255 properties were not billed for the sale of water, sanitation and sewerage services provided by the municipality. This resulted in non-compliance with section 64(2)(b) of the MFMA which requires revenue due to the municipality to be calculated on a monthly basis. The municipality is likely to suffer a material financial loss if service services are not being billed.

75. The accounting officer was notified of the material irregularity on 1 September 2021 and invited to make a written submission on the actions taken or to be taken to address the matter.

76. The following actions have been taken to resolve the material irregularity:

- The SLA between Budget and Treasury, Infrastructure and Engineering and Human Settlements Directorates was signed on 7 July 2021. The SLA outlines the value chain process between Human Settlements, Infrastructure and Engineering Directorate and Budget and Treasury Directorate in respect of the installation of new water meters, as well as linking them to the billing system.

77. The accounting officer further planned to implement the following actions to resolve the material irregularity:

- Monthly reporting to identify properties without water-related services on the billing system.
- The monthly report will be sent to the Infrastructure and Engineering Directorate for investigation.
- Infrastructure and Engineering Directorate is in the process of reviewing their internal business processes relating to the transfer of meter installation information to the billing system.
- Internal Audit and Risk Assurance to include as part of their audit readiness assessment for 2021-22, the review of the internal controls that have been implemented through the SLA and subsequent standard operating procedures between Budget and Treasury, Infrastructure and Engineering and the Human Settlements Directorates.

- Infrastructure and Engineering Directorate is in the process of procuring additional resources to enable the physical verification of water meters on properties and to enable an improved turnaround time.

78. A commitment and a detailed project plan was thus obtained from the accounting officer and it was indicated that the date committed to have fully addressed the material irregularity is 30 June 2023.

79. The implementation of the above planned actions and committed deadline will be followed up in the next audit cycle.

Auditor - General

East London

09 December 2022



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the consolidated and separate financial statements and the procedures performed on reported performance information for selected key performance areas and on the municipality compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the consolidated and separate financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the consolidated and separate financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Nelson Mandela Bay Metropolitan Municipality to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the consolidated and separate financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and determine whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.